



Teachers' Retirement System of Alabama

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The Teachers' Retirement System (TRS) of Alabama is pleased to provide you with this Agency Manual. It is designed as a ready reference to assist you in matters regarding retirement system procedures, rules, and regulations. We hope that this Manual will significantly help you perform your reporting responsibilities as the employer of a retirement plan administered by the TRS.

This Manual will be updated periodically to reflect any changes in the law. Our goal is to provide you with a clear and concise explanation of plan benefits and reporting procedures. We encourage you to contact our office if you have any questions on retirement matters. All updates to this manual are available online at www.rsa-al.gov.



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Introduction

To Payroll and Personnel Officers

The purpose of this manual is to provide payroll and/or personnel officers of TRS employing agencies with an understanding of their responsibilities in reporting retirement wages and paying retirement contributions.

You are the key link between the TRS and the employees of your agency. You must be knowledgeable of TRS' procedures to ensure that your employees know their rights related to retirement matters. We hope that this manual will make it easier to find the information needed to perform your job well.

Updating the Manual

When policies and procedures change, updates will be available online. Once you have downloaded the revised sections, please insert the revision(s) and discard the obsolete pages(s). The TRS will notify you by email of any revisions to this manual.

Explanation of Retirement Coverage

The TRS was established October 1, 1940, by the Alabama Legislature for the purpose of providing retirement allowances for teachers of the state of Alabama. Benefits are calculated as a percentage of average final compensation multiplied by years of creditable service. In addition to the monthly benefit paid to members who meet the minimum requirements for service retirement, disability retirement and in-service death benefits are also part of the TRS benefit structure.

The plan requires that contributions be deducted from the earnable compensation of each individual member at a fixed rate of 5 percent; 6 percent for firefighters, correctional officers, and law enforcement officers. This contribution is tax sheltered for TRS members.

To ensure soundness, the plan is required by law to have an annual actuarial valuation of the assets and liabilities of the TRS to determine, on the basis of actual experience, if any changes in the agency's contributions are necessary. Based on the actuarial valuation, the contribution rate of the agency is adjusted from time to time to ensure that as members retire, the contributions of members and agencies, together with the investment earning, will be sufficient to pay the benefits provided under the retirement plan.

Please refer to the TRS Member Handbook or visit the RSA Web site for all information regarding TRS benefits.

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